

cold steel in the conference chamber. And the few words M. Witte said to the foreign newspaper correspondents were, as usual, not encouraging. He looked tired, and said nothing had been accomplished.

"To-morrow," he said, "we will finish Articles 11 and 12."

"What then?" he was asked.

"Then we will go to dinner," he replied, as he excused himself to go to dine with Assistant Secretary Pearce.

The individual views of the members of the Russian mission differ as to what point should be yielded if a compromise is to be offered. Some favor surrender on Saghalien, others on indemnity. None are ready to give up both points.

It was learned at midnight that in the conference the Japanese plenipotentiaries several times manifested a sort of desire to couple consideration of the disputed points. This might indicate a willingness to bargain at the end. The Russians watched these moves with great interest, waiting for their adversaries to press them, but without showing their hands. Mr. Sato is quoted as saying that the Japanese will to-morrow propose again taking up the articles which have been passed over. If that is the case the Japanese may have decided openly to propose joint consideration.

ENVOYS DISAPPOINTED.

Weather for the First Time Proves a False Prophet.

Portsmouth, N. H., Aug. 17.—If all did not go smoothly in the peace conference room to-day, the subjects under discussion were wholly responsible for the lack of harmony, for the weather could not have been more nearly perfect. And for the first time to-day the weather failed accurately to indicate the trend of the negotiations. The first few days of the conference went smoothly, harmony reigned and the weather was excellent. Saturday was an extremely hot day, the mosquitoes were especially vigorous and Saghalien was the subject under discussion. Not until late in the afternoon did the atmosphere become cool, and almost simultaneously the plenipotentiaries, before adjourning their afternoon session, set aside this troublesome article to be finally discussed at another meeting.

Monday and Tuesday were difficult days in the conference room, and cold and disagreeable out of doors.

The bright sunshine which greeted the envoys as they started for the navy yard this morning seemed to give them hope in the face of the grave problems with which they were to struggle. All four plenipotentiaries started from the Wentworth in excellent spirits. Their return was in striking contrast. The weather for the first time had failed in its prophecy. The envoys were apparently too melancholy over the results of their two long sessions—or rather the lack of results—to enjoy to the full the gorgeous sunset or the ride home through the twilight.

The Japanese hastened to their rooms, and in a few minutes half a dozen secretaries were busily preparing cable dispatches which will hardly clear the wire before the early morning hours. M. Takahira dined in his room. Baron Komura dined in the main dining room with M. Sato and Mr. Denison, but he did not linger over his coffee and the conversation of the men seemed to drag.

M. Witte and Baron Rosen did not have an opportunity to reflect on the failures of the day's sessions. They had barely time to dress and go to the Niles cottage, a mile away, where the Third Assistant Secretary of State and Mrs. Pearce gave an official dinner in their honor to-night. There were eighteen guests, including, besides the Russian plenipotentiaries, M. Pokotiloff, M. de Martens, M. Rojostevsky and Commander Cameron McR. Winslow, of the Mayflower.

In semi-formal dress uniform, Commander Takahira, the Japanese naval attaché at Washington, called officially on Commander Winslow on board the Mayflower to-day to leave the cards of Baron Komura and Mr. Takahira and to present their regrets that their duties prevented them from calling in person. Before the conference adjourns, however, Baron Komura and Mr. Takahira will call by appointment on board the Mayflower and the Dolphin to pay their respects.

The arrival of Baroness Rosen and Miss Rosen at the Wentworth was one of the events of the day. They came in an automobile from Magnolia, accompanied by Baron Schlippenbach, the Russian Consul General at Chicago. The party took luncheon in the private dining room of the Russian mission with the attachés, whose presence was not needed at the navy yard. Without seeing either M. Witte or Baron Rosen, who were at the navy yard all day, the baroness and her daughter returned to Magnolia this afternoon.

M. Witte's mail increases every day. It has now reached such proportions that he has designated M. Rojostevsky, who speaks English perfectly, to answer the communications. M. Witte insists on reading all the personal letters which are coming to him from every State in the Union. He has been deeply touched by the kindly sentiments they contain. Perhaps a third of these letters are from Americans, who say they are anxious to see him that they may assure him of their personal admiration. Many invitations to visit various parts of the country are received. This feature of his visit and the voluntary outpouring of friendly feeling from Russia from quarters whence he least expected it will form the subject of a special report to the Emperor, when M. Witte next sees his sovereign.

A tennis tournament was the object of interest at the hotel to-day, and M. Pokotiloff, Mr. Hanthara and other members of both missions watched it for a long time. Commander Winslow came over from the Mayflower in his electric boat to watch the play in the afternoon.

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For the last two days the envoys have greatly enjoyed their visit here. "The weather is everything here," said one of them to-night. The steam yacht *Tarantula*, belonging to William K. Vanderbilt, arrived in the harbor this afternoon. Mr. Vanderbilt is expected by rail to-morrow.

MARTENS ON INDEMNITY.

Japan's Demand Without Precedent, He Declares.

(By The Associated Press.)
Portsmouth, N. H., Aug. 17.—M. De Martens, one of the Russian delegates, and recognized as one of the great authorities on international law, not only in Russia, but throughout the world, in speaking to-night about the principle of the war indemnity, said that there is no precedent in history where a country whose territory was not occupied in whole or in part by the enemy had paid war tribute on the conclusion of peace. Russia, M. De Martens said, was not crushed. She wanted peace, but she could go on fighting for years. Japan had not even approached the true Russian frontier.

"Should Russia consent to pay tribute to Japan in any form," he continued, "it would be her political death. The powers would understand that she accepted the proposition of President Roosevelt, not because she was desirous of an honorable peace, but because her power had been annihilated and she recognized that it was impossible for her to continue the war. It would mean a public confession that Russia is at Portsmouth, helplessly kneeling before Japan, imploring peace and ready to accept any terms imposed. No one will seriously contend that the Muscovite empire is in any such position."

With many interesting historical examples, M. de Martens proceeded to elaborate his assertion that no country had ever paid indemnity except when powerless to confront the enemy on the field of battle and a large portion of her territory in the enemy's possession as a hostage.

In 1807, he pointed out, when Napoleon imposed the peace of Tilsit, French troops occupied practically all of Prussia, and the Prussian royal family had fled to Russian soil. France could dictate terms. She exacted a war indemnity of \$300,000,000, and garrisoned several Prussian towns with French troops at the expense of Prussia as a guarantee of payment. She required that the Prussian army should be reduced to 40,000 men.

In 1815, when Napoleon was annihilated at Waterloo after the famous One Hundred Days, and the second treaty of Paris was concluded, the allied powers occupied Paris, as the Prussians did later in 1870, imposing in addition to other conditions a war indemnity of \$500,000,000, to be paid in five years, in which time the allied troops were to hold a portion of French territory. That sum, however, was considerably reduced by Wellington at Aix-la-Chapelle, and France completed the payment of the indemnity in three years. The largest war indemnity ever exacted was imposed by Prince Bismarck on France in 1870. It amounted to \$1,000,000,000. But Napoleon III had fallen. Gambetta was powerless. Prussia was at Paris. The Third Republic succeeded in liquidating the indemnity in two years, while, according to the treaty, she had five years' time in which to pay.

In other cases, even where a portion of the territory of the defeated country was occupied, no indemnity was exacted or even asked—for instance, Russia, in 1856, although the Crimean Peninsula was occupied by the Anglo-Franco-Piedmontese troops, was not asked to pay tribute. Neither did Austria in 1859, after having been defeated by the Franco-Piedmontese and having lost Lombardy, nor in 1866, after having been beaten by Prussia, pay an indemnity. Denmark in 1864 lost Schleswig-Holstein to Prussia, but paid nothing.

A new precedent was made by America, added M. de Martens, in her war with Spain. Although victorious and in a position to demand indemnity, she ended the war on principle and actually paid \$20,000,000 to the Madrid government for the Philippine Islands. But that, he remarked, was, as the French say, to "donner la paille".

In dependent of all these considerations, M. de Martens said, Russia's objection to the payment of an indemnity, under no matter what form, comes from the fact that in all her history she never paid a cent of tribute to a foreign power, not even at the time of her worst defeats under Peter the Great, when a large portion of the country was in the hands of the invaders. In conclusion, he called attention to the fact that to pay an indemnity to Japan would be for Russia to create a precedent new in the world's history.

CHINA IN NEGOTIATIONS.

Her Consent to Transfer of Eastern Railroad Needed.

(By The Associated Press.)
Portsmouth, N. H., Aug. 17.—China has, at least constructively, become a party to the peace negotiations. Article 7, relating to the transfer of China of the branch of the Chinese Eastern Railroad running south from Harbin, which was agreed to by the plenipotentiaries "in principle" yesterday, involved, perhaps, in the final settlement prolonged and complicated negotiations between China and Japan and the Peking government and Russia. Russia has agreed to surrender the road to China and give up her concession obtained in 1895, but China must consent, which means that she must agree to remunerate the Russian government, which guaranteed the bonds for the building of the road, in an amount hereafter to be determined. Japan also has her claim for the rebuilding of the road destroyed by the Russian armies, the reconstruction of bridges and change of gauge. The question remains primarily to be adjusted by Japan and China, and it is not unlikely that the Tokio government is already in communication with the Peking government on the subject.

The long dispatches sent by Baron Komura to his government on this subject after yesterday's session, which were not all off until 6 o'clock this morning, make this probable. Possibly an answer from China is essential to final agreement on Article 7, and this may be the true reason for the postponement after an agreement "in principle" had been reached. China's wish to be consulted concerning articles of the treaty affecting her territory must be respected, in this particular at least. China may not care to assume the financial burden involved in taking over the road. She certainly could not raise the money without hypothecating the property. If Japan is convinced that the road will eventually become a paying commercial venture, she might herself advance the money, or it might be raised for China by an international syndicate and the line made a part of the system of Chinese imperial railroads. If not, Japan might and probably would for the present step into Russia's shoes, although she has solemnly promised China to restore Manchuria, and to retain the railroad would be to retain strategic control of the province.

The amount Russia will realize is impossible to estimate. It will undoubtedly be only a comparatively small fraction of the sum poured into it. By the terms of the concession China had the privilege of taking over the road at the end of thirty-six years on repayment of capital, construction and deficit charges. Japan recognized that Russia was entitled to some remuneration, but the basis is not known. The Russian claim was founded on the principle of international law that a belligerent occupying territory can exercise the right of usufruct of private property during occupation, but cannot confiscate as a spoil of war. M. Witte, in whose brain was born the conception of the Chinese Eastern Railway, was particularly com-

petent to defend the rights of the company, which Russia asserts is distinctly a private corporation, although making no concealment of the fact that it was backed by the government because of political considerations. The original concession, obtained in 1896 for the Chinese Eastern, then simply the "cut-off" through Northern Manchuria, was obtained by the late Mr. Rothstein, director of the Russo-Chinese Bank, and Prince Ukomsky, and the company was formed for the construction of the road. In 1898, after the lease of Port Arthur and Tientsin (Dairen) was obtained from China, the concession for the southern branch was negotiated. It provided for a Chinese president of the road, and Shukingchin, who had been the Chinese Minister in St. Petersburg, was president until he fell a victim to the anti-foreign Boxer uprising in 1900.

The bonds issued with the government guarantee were sold like government 4 per cent notes, and are now in the hands of the banks and general public like regular government obligations. Although the loss on operations has been heavy, the Russo-Chinese Bank always believed it would become a remunerative concern. One of the big extraordinary items of expense was the necessity of maintaining railroad guards. The southern branch, which now goes to Tientsin, gave especial promise of being very profitable.

RUSSIA HELPLESS.

Her Plight Worse if She Does Not Yield, Says Hayashi.

London, Aug. 17.—Baron Hayashi, the Japanese Minister to Great Britain, declared to-day that the pessimistic dispatches from Portsmouth were not worthy of consideration.

"If the war continues," said he, "our forces will capture Vladivostok and Harbin, taking by force territory of greater value than the payments demanded by Japan, after which our army will intrench an advantageous line, from which it will require treble the number of the enemy to dislodge us."

"We do not fear the threat proclaimed in inspired articles that the war will become popular in Russia. Even if it should, how can the vast army necessary to drive us back be sustained by a government that is unable to obtain foreign loans, while its attempts at home meet with only partial success, and famine and disaffection threaten the country."

"The inspired dispatches contend that the Russian people would not suffer a sacrifice of Saghalien, but the retention of Saghalien by Japan is a greater point of honor to the Japanese. It was only an integral part of the Japanese empire, while it has never been more than an outpost province to Russia."

Baron Hayashi said that the plenipotentiaries on both sides possess full power to conclude peace, and that the ratification of the terms would only be a matter of formality. He added that he has been receiving full advice of the proceedings daily.

ENGLAND'S HANDS OFF.

Not Pressing Japan—London and Paris Bourses Augur Peace.

London, Aug. 17.—In contradiction to the persistent assertions that the British government is pressing Japan to ameliorate her demands, the Foreign Office informed The Associated Press to-day that the government was taking no part whatever in the negotiations. Advice, it was said, had not been asked of Great Britain by her ally, and it was not likely to be given until required.

While pessimism reigns supreme in the reports from Portsmouth and the editorials appearing in the newspapers, there exists in official circles in London a strong conviction that a treaty of peace will be the outcome of the conference. The Associated Press is able to state that the British government, which has kept informed of the progress of negotiations through Minister Hayashi, is fairly hopeful that a lasting peace will be concluded.

A diplomat with whom an Associated Press representative discussed the question to-day said:

Both the Russians and the Japanese knew practically what terms could be arranged, when they agreed to meet, and the Russians were well aware that the Japanese would want Saghalien and an indemnity. If the plenipotentiaries keep their tempers, I am of the opinion that peace will not be likely to split on any points before them."

On the Stock Exchange Russian and Japanese bonds quietly advance, and a confident undertone characterizes stocks generally.

Paris, Aug. 17.—Notwithstanding official reticence regarding the exercise of mediatory influence for peace by neutral powers, it is the general impression in well informed quarters here that pressure is being brought to bear both here and in Tokyo and St. Petersburg, and the rapidity of the negotiations so far is looked upon as the result of these influences.

Pessimistic advice emanating from other capitals are regarded as unwarranted, especially in financial circles, where it is the general view that the Portsmouth conference will be crowned with success.

The remarkable firmness of Russian stocks and their tendency to rise show the depth of this feeling.

PLEASED WITH M. WITTE.

I. N. Seligman Believes Conference Will Bear Fruit.

Isaac N. Seligman, of the banking house of I. & N. Seligman & Co., who, with M. S. Straus, had a conference with M. Witte at Portsmouth a few days ago concerning the treatment by Russia of her Jewish subjects, was at his office yesterday afternoon for the first time since the meeting took place. Asked for further particulars about the conference, he said that the statement given out at Portsmouth covered the subject.

"We believe that that conference will become a bright spot in history," he continued. "We think that much good will come of it."

"No, we did not ask for the conference. Neither did M. Witte call it. It had been arranged by other parties to have us come together. We were much impressed by M. Witte's breadth, his candor and his human feeling. As we understand it, he has no powers to do what we asked, but we believe that he will use his good offices, and that he will be in a position to hear our message to his imperial majesty the Czar in a convincing way."

"The newspapers have placed an entirely wrong construction on the conference. No bond issue on Russian bonds is in the air."

Asked about a story from Portsmouth that the Jewish bankers had carried to M. Witte a paper which asked him to give a guarantee for reform looking toward absolute political equality for Jews in Russia, and had informed him that Russia could never get another outside loan without the help of the Jewish bankers of the world and without better treatment of Jews in Russia, Mr. Seligman said that there was not a word of truth in the story; that M. Witte could not have made any such promises, and that the question of loans to Russia was not talked of.

Chicago, Aug. 17.—Adolf Kraus returned to Chicago yesterday well satisfied with the result of the conference of Jewish representatives with M. Witte in Portsmouth on Monday night.

"There is no doubt," he said, "that the Russian mission will take up seriously the question of settling the Jewish rights. M. Witte fairly and candidly discussed the conditions as they exist in Russia. We were much pleased with the interview, and feel that better times are coming for our people there."

He added the statement that the interview was prompted by Russia's need for money. This was unwarranted for while unquestionably great financial needs were present at the conference, a statement is unjust to M. Witte and to the other men present. There was not the slightest reference made to finance.

UKASE FOR RUSSIAN INTERNAL LOAN.

St. Petersburg, Aug. 17.—An imperial ukase was issued to-day formally authorizing the issuance of the new internal loan of \$100,000,000 at 5 per cent.

MIKADO ORDERS GUNS.

Japanese Negotiating with Krupps for Armor Also.

Berlin, Aug. 17.—The Japanese government is negotiating with the Krupps for fresh orders of armor plate and guns. Herr Eccius, director of the Krupp firm, is here arranging the contracts with Japanese agents.

RUSSIA TO CUT DUTY.

M. Witte May Announce That Czar Makes for Peace in Sugar War.

St. Petersburg, Aug. 17.—The Associated Press is informed that M. Witte soon will make an official announcement in America of a reduction by Russia in the duties on American machinery and tools, which have been operative since 1901. Ambassador Meyer secured this concession after extending negotiations with the Ministries of Finance and Foreign Affairs.

Through Ambassador Meyer the United States proposed to Russia a commercial arrangement between the two countries, under Section 3 of the Tariff Act of 1897. This was agreed to, and in anticipation of such an arrangement Russia decided upon the reduction.

Russia put an especially high duty on American machinery and tools in retaliation for the countervailing duty placed by the United States on Russian sugar. This extra duty on sugar was prompted by Russia's payment of an export bounty on that article, which was known as the Russo-American sugar war.

JEW'S IN ASSEMBLY.

M. Witte Says They Can Vote and Serve, It Is Reported.

"The American Hebrew" to-day contains a report of the interview between M. Witte and the Jewish bankers, Jacob H. Schiff, Isaac N. Seligman, Oscar Straus, Adolph Lewisohn and Adolph Kraus. M. Witte is reported as saying that the Jews have the right to vote for members of the National Assembly, and that the whole Jewish question in Russia will come up before that assembly for settlement. The report follows:

Jacob H. Schiff, accompanied by Isaac N. Seligman, Adolph Lewisohn, Oscar S. Straus and Adolph Kraus, called on M. Witte, at his invitation, and had a long interview with him. The interview lasted for three hours. Mr. Kraus represented the Independent Order B'nai B'rith. M. Witte was most liberal and sympathetic in his own attitude toward the Jews, but he frankly expressed the fear that any other plan but a gradual removal of the disabilities against the Jews in Russia was impracticable.

The delegation sought earnestly to impress him with the necessity of prompt action in granting to the Jews not a partial relief, but the fullest civil rights that are enjoyed by any of their fellow subjects. They stated without any reserve and in the plainest language, that unless this was granted by the government, the steadily growing influence of the Jewish financiers and merchants in America and Europe would be thrown against Russia and all things Russian. They also said that the good will of the American people had been lost to Russia because of its exceptional treatment of the Jews. They said that the numbers of Jews who had left the last twenty-five years, of which Kishineff, Yiddis, and the other numbers, excoated were but the natural outcome, and that their good will could not be regained until Russia has actually given equal rights to her Jewish subjects.

M. Witte averred that the Jews have the right to vote for members of the National Assembly, and that they can even be elected as members thereof. When this assembly is ultimately constituted, said he, it will have the decision of the entire Jewish question, which will come up before it, and he was full of hope as to the outcome.

PHIPPS BOYS UP FOR SHOOTING.

Their Case Remitted for Trial at Edinburgh—Plead Not Guilty.

Inverness, Scotland, Aug. 17.—Jay S. Phipps and Henry Carnegie Phipps, sons of Henry Phipps, of Pittsburgh, Penn., were formally arraigned to-day in the High Court on the charge of shooting "at" salmon fishers on the Beaulieu River, and pleaded "not guilty." The case was remitted for trial at Edinburgh. The defendants contended that they merely fired in the direction of the supposed poachers and had no idea of hitting them.

Mr. Phipps, whose sons are defendants in the case referred to, has for several seasons rented from Lord Lovat, Beaufort Castle in Inverness-shire and the salmon fishing rights on the Beaulieu River. There seems, however, to have been some misunderstanding regarding the tenure of the fishing lease. One night in July last the young men observed six men engaged with a net and a boat on the river. They supposed them to be poachers, it is alleged, and, receiving no answer to their shouts, fired at the fishers, who complied, with the exception of one.

This kind of conduct was to be John Allan Fraser, gillie to Lord Lovat and son of the oldest employe on the Lovat estate, received several wounds in the eyes and was blinded, while two others of the party, it was learned later, had been shot to death. The case, however, was remitted to-day in the High Court on the charge of shooting "at" salmon fishers on the Beaulieu River, and pleaded "not guilty." The case was remitted for trial at Edinburgh. The defendants contended that they merely fired in the direction of the supposed poachers and had no idea of hitting them.

AMERICA TO HELP KAISER IN POLAND.

Germans in Strengthening Hold on Provinces to Study Western Farm Methods.

Posen, Prussia, Aug. 17.—Several members of the Royal Settlements Commission have been ordered to visit the United States for the purpose of studying Western farm management. This commission is engaged in buying lands owned by Poles and selling Germans on them, so as to increase German influence in the provinces of Prussian Poland.

A credit to the extent of \$25,000,000 was given to the commission in 1886. This was increased to \$50,000,000 in 1898, and to \$87,500,000 in 1900. It will probably be still further increased. Dr. Hugenberg, of the Ministry of Finance, will accompany the commissioners, who will sail for New-York on August 22.

ACHINESE KILL DUTCH.

East Indian Natives Attack Post and Make Their Escape—Varying Details.

Amsterdam, Aug. 17.—A telegram received from Batavia, Dutch East Indies, reports an ugly outbreak of Achinese rebels, who attacked the Dutch post at Rambong, killing two officers and twenty-two men. Only six men of the post succeeded in escaping, and these were wounded.

The Hague, Aug. 17.—An official dispatch reports another attack by Achinese rebels on a Dutch bivouac at Hakong, in the Kewang district. A Dutch officer and six European soldiers were killed. The Achinese left a score killed.

SAMPLE OF CUBAN COTTON HERE.

Steamer Peloma Brings Part of Second Year Crop from Matanzas.

The steamer Peloma, from Matanzas, which arrived in port yesterday, brought four bales of cotton, of seventy-five pounds each, to the Munson Steamship Company. The cotton, which is a sample of the second crop raised in Cuba, is of the finest quality, and would easily bring 25 cents a pound.

This kind of cotton can be grown on any part of the island, and will yield five hundred pounds to the acre. The Isle of Pines is said to be particularly well adapted for cotton raising.

The well used which exists in nearly every cotton producing district, damaged the crop considerably.

TO PROTECT CANAL LABOR.

Workmen Must Have Commissariats, Says Shonts.

Theodore P. Shonts, chairman of the Panama Canal Commission, said yesterday in this city that he was not surprised at the report from Panama to the effect that the merchants there were protesting against the recently established commissariats in the canal zone. He also said that all the protests would be of no avail, as the establishment of commissariats was the most important and necessary preliminary step toward the completion of the Panama Canal.

Continuing, he said:

If the merchants are protesting, all I can say is, "Let them protest." The commission has a treaty with the government of Panama for the establishment of these stores along the canal route, and they must exist or the canal work will stop. We must feed and care for the workmen before we can expect labor from them. There is no surplus produced in Panama. The sudden influx of ten thousand persons has caused a greater consumption in the republic and prices have gone up. The merchants will not give credit to the laborers for food and clothing. There is a time when the "silver men" or laborers were paid irregularly they were often actually in need of food.

The laborers cannot pay the high prices asked by the merchants, and they cannot get the necessities of life without paying in cash. In our commissariats the men can get credit and also purchase food for cost, plus a slight advance for freight handling. The men can also change their money on our recent visit to Panama was the provision for semi-weekly payments of salary and the establishment of commissariats along the canal route from Panama to Colon.

Replying to the report that the suspension of digging operations on the Panama Canal has been caused by the exhaustion of the Congress appropriation for constructing the Isthmian waterway, Mr. Shonts said:

It is not true that there has been any shortage of that our plans for forwarding the work on the canal were curtailed for lack of money recently when an order was issued that the building of terminals, of houses for the employees and of a better commissary should precede any further work in the actual excavating of the canal. The question of funds has not interfered with our plans at Panama in any way. No financial difficulties that I know of have arisen there. In no way, however, is there a possibility that the work could be impeded for lack of funds, because the commission has the right at all times to contract against the appropriation of Congress for the completion of the canal. The commission on its recent visit to Panama, to cease excavation on the canal, was due to the fact that before the men could dig with steam shovels they must be supplied with food, clothing and shelter. It was further issued because the employees had to have a place to live in before they could be expected to work, and because a good commissary was imperative. Finally, there was a lack of sufficient terminals, both for the railroads, and for the ocean shipping, five thousand tons of which lay piled up with no means of handling it.

This is all preliminary work which ought to have been done long before the start. It was further issued because the employees had to have a place to live in before they could be expected to work, and because a good commissary was imperative. Finally, there was a lack of sufficient terminals, both for the railroads, and for the ocean shipping, five thousand tons of which lay piled up with no means of handling it.

All these different lines of preliminary work are being carried on simultaneously, and not one at a time.

MONEY FOR CANAL WORK.

Appropriation Guarded to Keep Operations Going.

Washington, Aug. 17.—One of the first important tasks awaiting Mr. Shonts when he assumed the presidency of the Isthmian Canal Commission was the conservation of the balance remaining of the appropriation of \$10,000,000, so as to guard against a stoppage of the work of canal building. Calling to his aid several expert accountants, the exact state of the finances of the commission was ascertained, and it was found that the work could be steadily prosecuted until Congress at the next regular session should have ample opportunity to provide more funds. Therefore, the balance on hand was divided into monthly allotments, which have so far been closely adhered to, save in one case, where an unexpected demand arose for additional transportation facilities. Thus the commission has, it believes, avoided the necessity of availing itself of the privilege granted by Congress of issuing bonds to meet expenditures.

The commission to-day issued the following statement on this point:

It was officially stated at the Isthmian Canal Commission to-day that of the appropriation by Congress of \$10,000,000 for the construction of the canal, there was on April 1, 1905, the date on which the present commission took hold, an available balance to the credit of this appropriation of \$7,426,568.

During the month of April the expenditures from this appropriation aggregated \$47,000; during May, \$503,000; during June, \$559,000; during July, \$770,000; for wages, salaries, materials, supplies and equipment.

During July there was an unusual expenditure for the canal zone of \$350,000 each, not included in the July expenditures above.

During the month of August, up to and including the 15th, \$230,000 has been expended. This left to the balance of the appropriation on August 15, \$5,236,118, in addition to which there were of the two disbursing officers had in hand \$500,000 at that date.

It will be seen from the foregoing that the average expenditure per month, leaving out of consideration the purchase of these two ships, was in the neighborhood of \$500,000, and at that rate of expenditure the \$2,816,713 will last until early in January, which is according to the schedule of the Panama Canal.

CALLS NICARAGUA SCHEME DEAD.

Ex-Senator Warner Miller Says He Will Not Attempt to Revive It.

Ex-Senator Warner Miller yesterday denied a story contained in a dispatch from Washington saying that he and Judge J. D. Yeomans would revive the Nicaragua Canal scheme and try to obtain the approval of the Panama Canal Commission. "I haven't seen the dispatch, but one of my business associates spoke to me about it," said Ex-Senator Miller at his office, No. 100 Broadway, yesterday. "There is not the slightest foundation for any such rumor. I failed to build the Nicaragua Canal, but I am heartily in favor of the Panama Canal, and if I can do anything to help it along I am willing to do so. If any attempt is made to revive the Nicaragua scheme or to obstruct the Panama work, I will be done without my assistance or sympathy. You may make it as strong as you like."

CREW OF MR. SHONT'S YACHT DESERT.

Mobile, Ala., Aug. 17.—The crew of T. P. Shonts's yacht *Marguidera* deserted at Appalachicola, Fla. Mr. Shonts's private secretary was in Mobile to-day arranging for new men.

SAYS WIFE GAVE POISON.

Man Ate Hearty Supper—Taken to Hospital Sick.